

Calendar No. 269

118TH CONGRESS }
1st Session }

SENATE

{ REPORT
118-125 }

GRANT TRANSPARENCY ACT OF 2023

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 2260

TO REQUIRE TRANSPARENCY IN NOTICES OF FUNDING
OPPORTUNITY, AND FOR OTHER PURPOSES



DECEMBER 11, 2023.—Ordered to be printed

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DECEMBER 11, 2023.—Ordered to be printed

Mr. PETERS, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 2260]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 2260) to require transparency in notices of funding opportunity, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

CONTENTS

| | Page |
|--|------|
| I. Purpose and Summary | 1 |
| II. Background and Need for the Legislation | 1 |
| III. Legislative History | 2 |
| IV. Section-by-Section Analysis of the Bill, as Reported | 3 |
| V. Evaluation of Regulatory Impact | 3 |
| VI. Congressional Budget Office Cost Estimate | 4 |
| VII. Changes in Existing Law Made by the Bill, as Reported | 4 |

I. PURPOSE AND SUMMARY

S. 2260, the *Grant Transparency Act of 2023*, strengthens transparency requirements around competitive grant application evaluations by requiring each grant-making agency to describe the evaluation process and criteria for each notice of funding opportunity.

II. BACKGROUND AND THE NEED FOR LEGISLATION

Title 2 of the Code of Federal Regulations governs the awarding of federal grants. These regulations include a detailed description of the required contents of notices of funding opportunities—content that includes information about selection criteria for the

award.¹ Even though these regulations are binding, award programs adhere to them with different degrees of fidelity. For example, a recent survey of notices of funding opportunities from the Department of Health and Human Services found notable inconsistencies in the ways that awarding agencies present information, and numerous GAO reports recommend improving transparency and uniformity in adhering to regulations.² This legislation would require agencies to adhere to the notice of funding opportunity transparency requirements by putting those requirements directly into law. This bill seeks to help potential grant applicants understand how their application will be evaluated and make better decisions about which funding opportunities to pursue.

III. LEGISLATIVE HISTORY

Senator John Cornyn (R–TX) introduced S. 2260, the *Grant Transparency Act of 2023*, on July 12, 2023 with original cosponsors Senators Margaret Wood Hassan (D–NH) and Gary Peters (D–MI). The bill was referred to the Committee on Homeland Security and Governmental Affairs. Senator John Thune (R–SD) joined as an additional cosponsor on July 13, 2023, Senator Kyrsten Sinema (I–AZ) joined as an additional cosponsor on July 18, 2023, and Senator Raphael Warnock (D–GA) joined as an additional cosponsor on July 27, 2023.

The Committee considered S. 2260 at a business meeting on July 26, 2023. At the business meeting, Senator Paul offered an amendment and a modification to the amendment. The Paul amendment, as modified, added requirements for agencies to report on the number and geographic locations of grant applications received in response to each notice of funding opportunity. The Committee adopted the modification to the Paul amendment by unanimous consent with Senators Peters, Hassan, Rosen, Padilla, Blumenthal, Paul, Lankford, and Scott present. The Committee did not adopt the Paul amendment, as modified by a roll call vote of 7 yeas and 8 nays, with Senators Paul, Lankford, and Scott voting in the affirmative, and Senators Peters, Hassan, Rosen, Padilla, and Blumenthal voting in the negative. Senators Johnson, Romney, Hawley, and Marshall voted yea by proxy, and Senators Carper, Sinema, and Ossoff voted nay by proxy.

The bill was ordered reported favorably by a roll call vote of 8 yeas to 0 nays, with Senators Peters, Hassan, Rosen, Padilla, Blumenthal, Paul, Lankford, and Scott voting in the affirmative. Senators Carper, Sinema, Ossoff, Johnson, Romney, Hawley, and Marshall voted yea by proxy, for the record only.

¹ 2 CFR § 200.

² National Academy of Public Administration, Keynote Address by Deputy Assistant Secretary Dale Bell, Office of Grants, Health and Humans Services, *Grants Management Symposium* (Dec. 8, 2022); Government Accountability Office, *Intercity Passenger Rail: Recording Clearer Reasons for Awards Decisions Would Improve Otherwise Good Grantmaking Practices* (GAO–11–283) (Mar. 2011); Government Accountability Office, *Discretionary Transportation Grants: DOT Should Clarify Application Requirements and Oversight Activities* (GAO–22–104532) (Apr. 2022); Government Accountability Office, *Transit Security: FEMA Should Improve Transparency of Grant Decisions* (GAO–23–105956) (July 2023).

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

The section establishes the short title of the bill as the “Grant Transparency Act of 2023.”

Section 2. Notices of funding opportunity transparency

Subsection (a) defines the terms “agency,” “competitive grant,” “evaluation or selection criteria,” “notice of funding opportunity,” and “rating system.”

Subsection (b) describes the transparency requirements for each notice of funding opportunity for a competitive grant. These requirements include a description of any rating system and evaluation and selection criteria used by the agency to assess applications for each notice of funding opportunity, including a description of the weights for each criterion of a weighted scoring metric.

Subsection (c) provides a rule of construction.

Subsection (d) establishes that no additional funds are authorized to be appropriated for the purpose of carrying out this bill.

Subsection (e) establishes the effective date of the legislation to be 120 days after the date of enactment with no retroactive effect for notices of funding opportunity issued before the date of enactment.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

| S. 2260, Grant Transparency Act of 2023 | | | |
|--|------|---|---------------|
| As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 26, 2023 | | | |
| By Fiscal Year, Millions of Dollars | 2024 | 2024-2028 | 2024-2033 |
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |
| Spending Subject to Appropriation (Outlays) | * | * | not estimated |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Statutory pay-as-you-go procedures apply? | No |
| | | Mandate Effects | |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |
| * = between zero and \$500,000. | | | |

S. 2260 would require federal agencies to disclose their selection methods for awarding competitive grants to grant applicants. The agencies would be directed to list their rating systems, evaluation and selection criteria, weighted-scoring methods, and other quantitative or qualitative approaches used to assess grant applications. Using information from federal grant databases, CBO estimates that the administrative costs associated with providing that information would not be significant; any spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Katie Zhang. The estimate was reviewed by Chad Chirico, Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation would make no change in existing law, within the meaning of clauses (a) and (b) of subparagraph 12 of rule XXVI of the Standing Rules of the Senate, because this legislation would not repeal or amend any provision of current law.